

Gregg M. Galardi, Esq.
 Ian S. Fredericks, Esq.
 SKADDEN, ARPS, SLATE, MEAGHER &
 FLOM, LLP
 One Rodney Square
 PO Box 636
 Wilmington, Delaware 19899-0636
 (302) 651-3000

Dion W. Hayes (VSB No. 34304)
 Douglas M. Foley (VSB No. 34364)
 MCGUIREWOODS LLP
 One James Center
 901 E. Cary Street
 Richmond, Virginia 23219
 (804) 775-1000

- and -

Chris L. Dickerson, Esq.
 SKADDEN, ARPS, SLATE, MEAGHER &
 FLOM, LLP
 333 West Wacker Drive
 Chicago, Illinois 60606
 (312) 407-0700

Counsel to the Debtors and
 Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE EASTERN DISTRICT OF VIRGINIA
 RICHMOND DIVISION

- - - - -	X	
	:	
In re:	:	Chapter 11
	:	
CIRCUIT CITY STORES, INC.,	:	1Case No. 08-35653 (KRH)
<u>et al.</u> ,	:	
	:	
Debtors.	:	Jointly Administered
- - - - -	X	

**STIPULATED ORDER REGARDING PAYMENT OF CERTAIN TAXES
 UNDER SUPPLEMENTAL ORDER PURSUANT TO BANKRUPTCY CODE
 SECTIONS 105(a), 506(A), 507(A)(8), 541 AND 1129
 AUTHORIZING THE DEBTORS TO PAY PREPETITION SALES, USE,
 TRUST FUND AND OTHER TAXES AND RELATED OBLIGATIONS**

Upon consideration of (i) the Debtors' Motion

For Order Pursuant To Bankruptcy Code Sections 105(a),
 506, 507(a)(8), 541 And 1129 And Bankruptcy Rule 6003
 Authorizing The Debtors To Pay Prepetition Sales, Use,

Trust Fund And Other Taxes And Related Obligations (D.I. 7; the "Motion"); and (ii) the Debtors' Supplemental Motion For Order Pursuant To Bankruptcy Code Sections 105(a), 506, 507(a)(8), 541 And 1129 Authorizing The Debtors To Pay Prepetition Sales, Use, Trust Fund And Other Taxes And Related Obligations (D.I. 407; the "the Supplemental Motion"); and the Court having entered orders approving the Motion (D.I. 110; the "Order") and the Supplemental Motion (D.I. 1086; the "Supplemental Order"); and, pursuant to the Order, the Court having authorized the Debtors to pay up to \$22 million on account of the Taxes (as defined in the Motion and the Supplemental Motion); and, pursuant to the Supplemental Order, the Court having authorized the Debtors to pay up to an additional \$13 million on account the Taxes; and pursuant to the Supplemental Order the Committee having informally objected to the payment of Taxes to Arizona, Arkansas, California, the District of Columbia, Hawaii, and Michigan (the "Contested Jurisdictions" and the Taxes allegedly due to the Contested Jurisdictions, the "Contested Taxes") on the grounds that the Contested Taxes are not "trust fund" taxes; and the Debtors'

having agreed that the Contested Taxes are not trust fund taxes; and the Debtors and the Committee have stipulated to the foregoing; and the Court having found that: (a) the Contested Taxes owed to the Contested Jurisdictions do not create trust funds because the applicable statutes do not require the Debtors to collect the Contested Taxes from third parties for remission to the taxing authorities of the Contested Jurisdictions on behalf of such third parties; (b) the applicable statutes in the Contested Jurisdictions levy the Contested Taxes directly on the Debtors as taxes on the privilege of conducting a retail business, regardless of whether the Debtors obtain reimbursement from any third party; (c) the Contested Taxes constitute property of the Debtors' estate; and (d) entry of this Order is in the best interests of the Debtors, their estates and creditors; and upon consideration of the foregoing,

ORDERED, ADJUDGED AND DECREED that:

1. Except to the extent expressly set forth herein, the Order and the Supplemental Order shall remain in full force and effect.

2. Absent further order of this Court, the Debtors are not authorized to pay the Contested Taxes to the Contested Jurisdictions.

3. The Debtors are hereby directed to serve a copy of this Stipulated Order on the attorney generals and applicable taxing authorities for each of the Contested Jurisdictions within two business days of entry. Each of the Contested Jurisdictions shall have until 4:00 p.m. (ET) on January 13, 2009 (the "Objection Deadline"), to file and serve so as to be received by the Objection Deadline an objection to this Stipulated Order. If one or more objections are filed, this Court shall hold a hearing on such objection(s) on January 16, 2009 or such later date and time as agreed to by the Debtors, the Committee and the applicable Contested Jurisdictions.

4. For each Contested Jurisdiction that does not file and serve an objection on or before the Objection Deadline, this Order shall immediately become final as to each such Contested Jurisdiction as of the Objection Deadline without further action by this Court or any other party.

5. The Debtors' right to seek payment of the Contested Taxes on any basis, other than that such Contested Taxes are trust fund taxes, is expressly reserved and nothing herein shall impair such right.

6. The Court retains jurisdiction to hear and determine all matters arising from or related to the implementation or interpretation of this Order.

Dated: Richmond, Virginia
December 22, 2008

UNITED STATES BANKRUPTCY JUDGE

STIPULATED AND AGREED TO BY:

Gregg M. Galardi, Esq.
Ian S. Fredericks, Esq.
SKADDEN, ARPS, SLATE, MEAGHER & FLOM, LLP
One Rodney Square
PO Box 636
Wilmington, Delaware 19899-0636
(302) 651-3000

- and -

Chris L. Dickerson, Esq.
SKADDEN, ARPS, SLATE, MEAGHER & FLOM, LLP
333 West Wacker Drive
Chicago, Illinois 60606
(312) 407-0700

- and -

/s/ Douglas M. Foley

Dion W. Hayes (VSB No. 34304)
Douglas M. Foley (VSB No. 34364)
MCGUIREWOODS LLP
One James Center
901 E. Cary Street
Richmond, Virginia 23219
(804) 775-1000

Counsel to the Debtors
and Debtors in Possession

- and -

Richard M. Pachulski
Robert J. Feinstein
Jeffrey N. Pomerantz
PACHULSKI STANG ZIEHL & JONES LLP
10100 Santa Monica Boulevard, 11th floor
Los Angeles, CA 90067-4100
(310) 277-6910

- and -

/s/ Lynn L. Tavenner

Lynn L. Tavenner (VSB No. 30083)
Paula S. Beran (VSB No. 34679)
TAVENNER & BERAN, PLC
20 North Eight Street, 2nd Floor
Richmond, VA 23219
(804) 783-8300

Counsel to the Official Committee of Unsecured Creditors

CERTIFICATION OF ENDORSEMENT UNDER LOCAL RULE 9022-1(C)

Pursuant to Local Bankruptcy Rule 9022-1(C), I
hereby certify that the foregoing proposed order has
been endorsed by or served upon all necessary parties.

/s/ Douglas M. Foley

Douglas M. Foley